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November 30, 2010  
**HAND DELIVERED**

Mr. Daron Haddock  
Utah Division of Oil, Gas and Mining  
1594 West North Temple  
Salt Lake City, Utah 84116

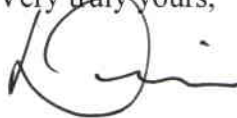
**RE: Crandall Canyon Mine, C/015/0032; Response to Division Order 10-A,  
Paragraph IV, Item 2**

Dear Daron:

Enclosed on behalf of Genwal Resources, Inc., are six (6) copies of the response to Division Order 10-A, paragraph IV, Item 2, and the Revised Stipulation, dated November 4, 2010. This response consists of an amendment to Appendix 7-15 regarding the Probable Hydrologic Consequences Determination and a change to the text of Chapter 7 at 7.31.51 regarding gravity discharges.

If you have any questions or comments, please contact me or David Hibbs at 435-888-4000.

Very truly yours,



Denise A. Dragoo

DD:jmc  
Enclosures

cc: David Hibbs  
Dave Shaver  
Steve Alder, Esq.  
Chris Van Bever, Esq.

File in: C/0150032 Incoming  
Date: 11/30/2010 Refer to:  
☐ Confidential  
☐ Shelf  
☒ Expandable  
For additional information

12275994.1

C/015/032 Incoming

#3704

&

DENVER

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**NOV 30 2010**  
**DIV. OF OIL, GAS & MINING**

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Genwal Resources, Inc.

Mine: Crandall Canyon Mine

Permit Number: 015/032

Title: Response to Division Order DO-10-A, Paragraph IV, Item 2

Description, Include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: \_\_\_\_\_ ☐ increase ☐ decrease.
- ☒ Yes ☐ No 2. Is the application submitted as a result of a Division Order? DO# 10-A
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: \_\_\_\_\_

- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- ☐ Yes ☒ No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

David W. Hibbs President 11/30/10 David W. Hibbs

Print Name

Position

Date

Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 30<sup>th</sup> day of November, 2010

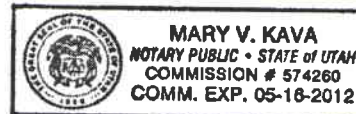
Notary Public: Mary V. Kava, state of Utah.

My commission Expires May 16, 2012

Commission Number: 574260

Address: 8060X891

City: Ferron State: UT Zip: 84523



For Office Use Only:

Assigned Tracking Number:

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**DIV. OF OIL, GAS & MINING**

# APPLICATION FOR COAL PERMIT PROCESSING

**Mine:** Crandall Canyon Mine

Permit Number:	015/032
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Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

**DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED**[illegible]

**Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.**

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## DIV. OF OIL, GAS & MINING

Change to the text in the section below:

### **7.31.51 Gravity Discharges**

The angle at which the coal bed is inclined from the horizontal (dip) prevents any gravity discharge of water from the surface entries when accumulating mine water is routinely pumped from the mine workings and discharged. However, when the pumping of mine water ceased subsequent to the September 2007 mine closure and sealing, groundwater from naturally-occurring inflows began to accumulate in the mine. By January 2008, mine water that had accumulated in the mine openings began to discharge via gravity flow to the surface at the mine portals. Gravity discharge from the portals has occurred in an essentially continuous manner since that time.

#### Additional References

DOGM, 2010, Utah Division of Oil, Gas and Mining on-line coal water quality database, available on the world-wide-web at: <http://ogm.utah.gov/coal/edi/wqdb.htm>.

Hem, J.D., 1985, Study and interpretation of the chemical characteristics of natural water, United States Geological Survey Water Supply Paper 2254, third edition.

JBR Environmental Consultants, Inc, 2009, Crandall Canyon Mine macroinvertebrate study, September 2009, unpublished consulting report prepared for Genwal Resources, Inc., East Carbon, Utah.